



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISOR GROUP FRIDAY, APRIL 20, 2007 MEETING MINUTES

MEMBERS PRESENT:

Greg Adams, L.A. County Sanitation District
Paul Avila, P.B.A. & Associates
Geoffrey Blake, DriLube/All Metals
Eric Busch, Representative, South Bay Cities Council of Governments
Daniel Cunningham, Metal Finishing Association
Jacob Haik, Councilwoman Janice Hahn
Angelo Logan, East Yard Communities for EJ
Dr. Joseph Lyou, California Environmental Rights Alliance
Harold Martinez, Able Industrial Products, Inc.
Steve Mugg, South Orange County Representative, City of Mission Viejo

MEMBERS ABSENT:

Jane Carney, AQMD Governing Board Member, LGSBA Chairman
Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman
Todd Campbell, Mayor, City of Burbank
Kelly Moulton, Paralegal
Todd Priest, Representative, Orange County Business Council

OTHERS PRESENT:

John Billheimer, Enviro-Reality
Paul Garza, Board Member Tonia Reyes Uranga
Rita Loof, Radtech
Bob Ulloa, Board Member Dennis Yates

AQMD STAFF:

Barbara Baird, Principal Deputy District Counsel
Evangelina Barrera, Office Assistant
Larry Bowen, Planning & Rules Manager
Dr. Elaine Chang, Deputy Executive Officer
Dr. Pom Pom Ganguli, Asst. Deputy Executive Officer/Public Advisor
Dean Hughbanks, Procurement Manager
John Kampa, Financial Analyst
Mary Leonard, Financial Analyst
Dr. Sue Lieu, Program Supervisor
Rick Pearce, Chief Financial Officer
Donna Peterson, Financial Analyst
Patrician Price, Acting Community Relations Manager
Greg Ushijima, Air Quality Engineer II
Nancy Velasquez, Administrative Secretary
Cheryl Wade, Financial Services Manager
Patti Whiting, Staff Specialist
Jill Whynot, Planning & Rules Manager

Agenda Item #1 - Call to Order/Opening Remarks

In Chair Jane Carney's absence, Dr. Pom Pom Ganguli called the meeting to order at 12:05 p.m.

Agenda Item #2 – Approval of March 16, 2007 Meeting Minutes/Review of Follow-Up/Action Items

March 16, 2007 meeting minutes were approved as presented.

Follow-up Action Items

- Action item:* Dr. Joe Lyou requested that the Socioeconomic Analysis presentation be sent electronically to LGSBA members.
- ✓ Socioeconomic Analysis presentation was unavailable prior to April LGSBA meeting. Other available presentations were sent (Budget & Regulation III) on April 17, 2007 prior to meeting.

Agenda Item #3 – Presentation on AQMP Socioeconomic Analysis

Dr. Sue Lieu gave a presentation on the Air Quality Management Plan (AQMP) Socioeconomic Analysis (see attached).

Mr. Paul Avila asked if there would be more pollution in 2014 than today and whether that was included in the AQMP. Dr. Lieu replied that it was already included in the emission projections.

Mr. Steve Mugg asked about the difference between the Jerrett Study and the Pope study. Dr. Lieu replied that the Pope Study dealt with over 300,000 people from 51 States, but the Jerrett study had those people in Metropolitan Los Angeles only and used local monitoring station data. Mr. Daniel Cunningham commented that the Jerrett study should be given more weight since it is a local study.

Mr. Greg Adams asked about the timeframe of the \$2.35 billion average annual cost on slide 15. Dr. Lieu replied that the cost was from 2007 to 2025. Mr. Angelo Logan asked how the AQMP would address Environmental Justice with respect to socioeconomic impacts. Dr. Chang replied that the four-county area, where the District is a subset, was divided into 19 regions and benefits to those regions were determined, but not to specific neighborhoods within those regions. She added that the AQMP is meant to have the entire district comply with air quality standards, rather than particular neighborhoods.

Dr. Lyou asked whether the benefit analysis accounted for property value. Dr. Lieu confirmed that property value was accounted for in the visibility benefit. Dr. Lyou asked whether the \$2.35 billion cost can be compared to the \$14 billion benefit because of the unquantified benefits. Dr. Lieu said the comparison is reasonable because the total cost included unquantified measures. However, job impacts were not assessed for

unquantified measures. Dr. Ganguli commented that U.S. EPA showed benefits were 6-8 times cost and asked how the AQMD compares. Dr. Lieu replied that the AQMD's benefits were about 6-7 times cost.

Mr. Adams commented that these mathematical models do not look at social ramifications. Dr. Lieu replied that these were partially addressed through the jobs and occupational impacts, and the makeup of ethnicity.

Agenda Item #4 – FY 2007-08 Draft Budget and Work Program

Ms. Mary Leonard gave a presentation on the Fiscal Year (FY) 2007-08 Draft Budget and Work Program (see attached).

There were no questions or comments for this agenda item.

Agenda Item #5 – FY 2007-08 Proposed Amendments to Regulation III - Fees

Mr. Larry Bowen gave a presentation on the FY 2007-08 Proposed Amendments to Regulation III – Fees (see attached).

Mr. Mugg asked whether the number of cases of defending issued permits is based on historical numbers. Ms. Baird and Mr. Bowen replied that the number of cases was a conservative, worst case scenario. Mr. Mugg asked if the fee to recover costs is a policy decision. Ms. Baird confirmed this. Mr. Adams asked whether there will be a procedure to approve invoices. Ms. Baird replied that the District would enter into an indemnification agreement with the facility that would include the terms of reimbursement for review and approval.

Mr. Geoffrey Blake asked about the liability of the issuance of a District permit. Mr. Bowen replied that the proposed provision allows the District to work with the facility to decide who will be responsible for what costs in defending the permit. He then asked if a permit has ever been revoked after issuance. Ms. Baird replied that she was not aware of any such cases, although there was a case where the applicant reconsidered the application and another where the District was required to redo the California Environmental Quality Act (CEQA) analysis.

Mr. Blake asked about the 3.3% consumer price index (CPI) compared to that used in Agenda Item #4. Ms. Baird replied that the previous agenda item was future projections rather than the CPI for this past calendar year.

Dr. Lyou asked about fees if a company challenges the conditions on their own permit. Ms. Baird replied that there has only been one occurrence of this for a Title V permit, but staff will monitor this. He also asked whether all costs for the Title V program are being recovered. Ms. Baird replied that the District is closer than before, but did not know the exact numbers.

Mr. Adams asked what happens if a facility does not want to enter into an indemnification agreement. Ms. Baird replied that the basic provisions of the rule will

require the applicant to pay the costs and the indemnification agreement assists this process.

Mr. Eric Busch asked for the percentage breakdown of resources used for defending permits internally and externally. Ms. Baird replied that those numbers are not immediately available since time is not tracked by case. She added that most are handled internally through the Hearing Board.

Mr. Jacob Haik asked if any other government agency has ever charged for defending permits before. Dr. Ganguli replied that the Santa Barbara APCD has a similar program. Mr. Bowen added that during an analysis of the other air districts showed that they do the same thing directly through their rules.

Mr. Cunningham asked if staff considered a small business exemption when charging for defending permits. Ms. Baird replied that staff will consider this.

Agenda Item #6– Status Report on AB 32 – Greenhouse Gas Emissions

Ms. Jill Whynot gave a presentation with an overview of Assembly Bill 32 and the timelines for the California Air Resources Board’s development of key aspects of the program.

There were no questions or comments for this agenda item.

Agenda Item #7- Monthly Report on Small Business Assistance Activities

No comment.

Agenda Item #8- Other Business

No comment.

Agenda Item #9 - Public Comment

Regarding the proposed amendments to Regulation III, Mr. John Billheimer asked about costs from outside counsel. Mr. Bowen confirmed that there is language in the proposed rule that specifies the costs recovered are only for those incurred from outside counsel.

Agenda Item #10 - Adjournment

The meeting adjourned at 1:38 p.m.